



House Energy Committee

Who are Michigan's Municipal Electric Utilities?

- 40 municipally owned electric utilities represented by the Michigan Municipal Electric Association (MMEA)
- Approx. 2GW or 10% of load
- Diverse in customer size:
 - Daggett < 200
 - Lansing Board of Water & Light \approx 100,000
- Total over 300,000 customers
- Non-profit, community owned & operated
- Not regulated by MPSC



Public Power Profile

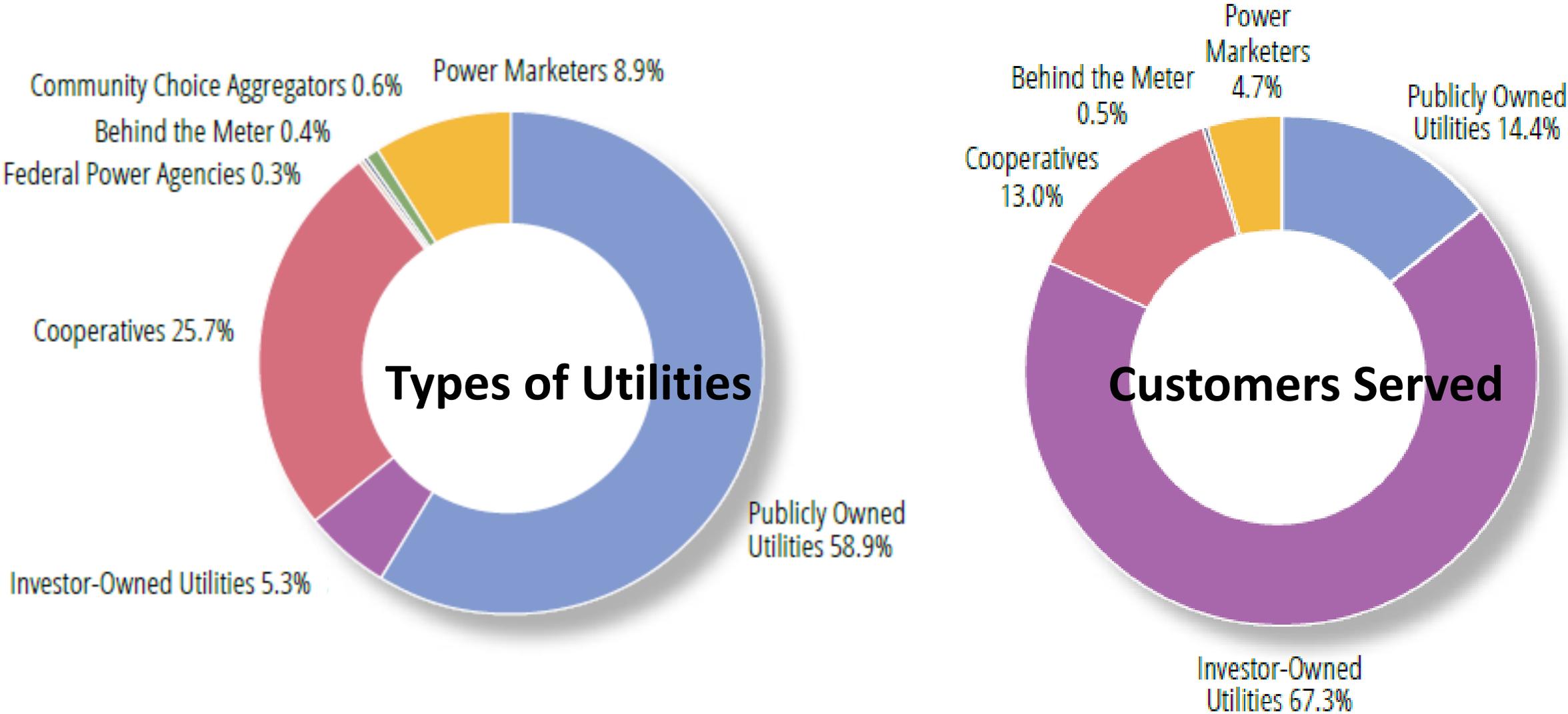
PUBLIC POWER

Size	Average 5,000 customers
Ownership	Local government body
Regulation	Utility Board or City Council
Business Objectives	Community goals, rates cover costs
Financing	Municipal Bonds
Power Supply	Shared resources & local ownership

INVESTOR-OWNED UTILITY

Size	Average 400,000 customers
Ownership	Shareholders –nationwide
Regulation	State Public Utility Commission
Business Objectives	Earn fair risk adjusted return
Financing	Shareholder equity & taxable bonds
Power Supply	Owned & operated

Public Power – United States



Approximately 2,000 Public Power Entities in the US

Joint Action Agency

- Joint Action Agencies (JAA) formed - 1970s

 - Michigan Public Power Agency

 - Michigan South Central

 - WPPI Energy (Based out of WI; U.P. Members)

- Enabling Legislation 1976 (Act 448)
- Consortiums to invest in baseload power projects
- Finance, Own or Contract - Members take % share



Share resources and expertise



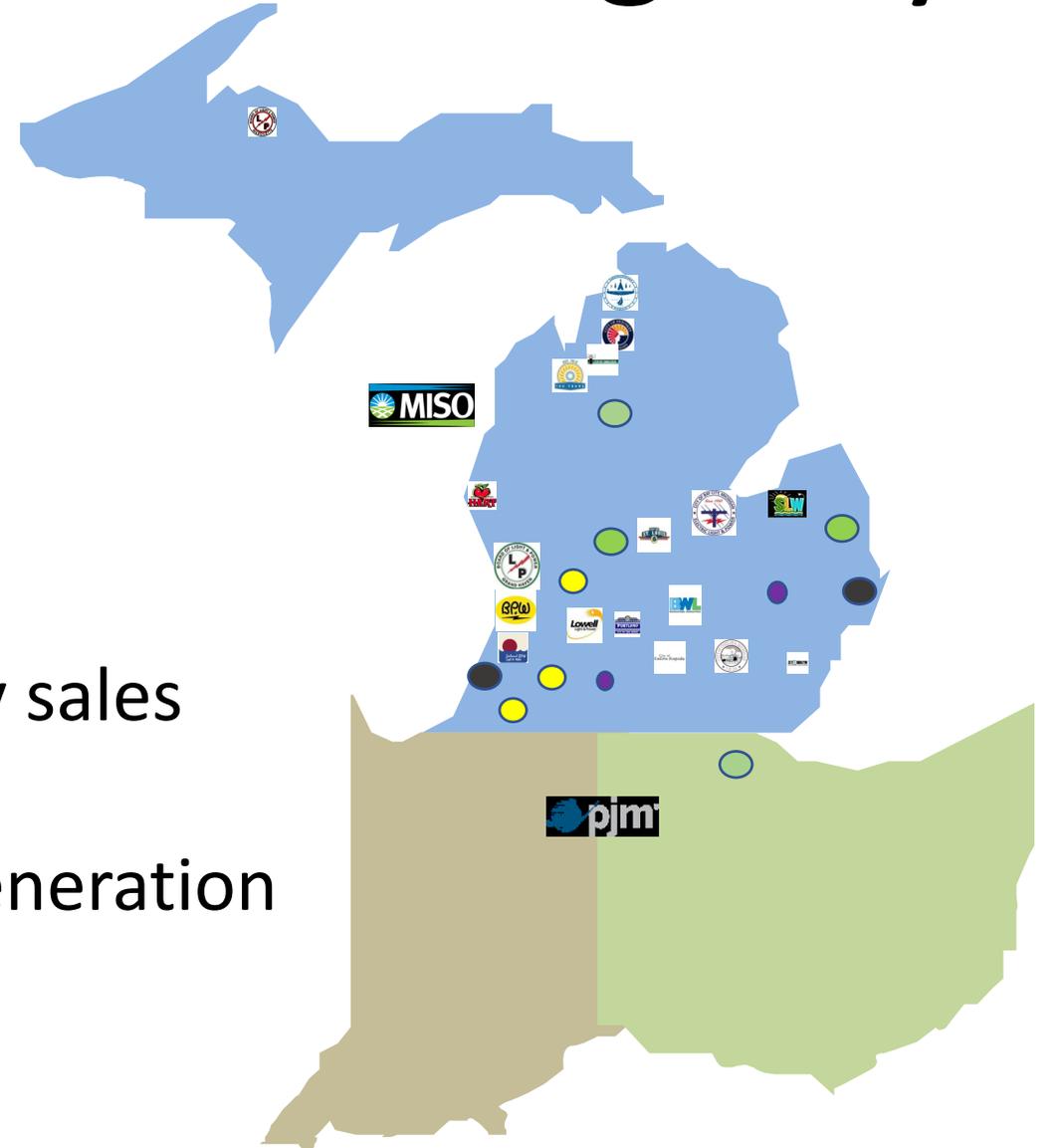
Lower costs and diversify risk



Michigan Public Power Agency

1978, Act 448 of 1976

- 40 + Years in Operation
- 22 Full Members
- **85%** of Municipal electric retail energy sales
- **90 + %** of Municipal Owned electric generation
- Two Wholesale Markets



Current Law



Utility & General Manager



Local Utility Customers



Current Law



Utility & General Manager



Local Utility Customers



Current Law



Proposed Legislative Solution

Greater **transparency**, greater **public involvement**, greater **efficiency**, better use of **taxpayer dollars!**



TRAVERSE CITY
LIGHT & POWER



ZEELAND
Board of Public Works



**CITY OF
CHARLEVOIX**

Local Customer